

**Janesville Consolidated School District**

**Independent Auditor's Reports  
Basic Financial Statements  
And Supplementary Information  
Schedule of Findings**

**June 30, 2011**

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**Janesville Consolidated School District**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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**Board of Education**

Sandi Carroll	President	2011
Barbara Reid	Vice President	2011
Tracy Meyer	Board Member	2013
Lindsey Eibey	Board Member	2013
Christine Mattingly	Board Member	2011

**School Officials**

Steven Gray	Superintendent	2011
Kelly Weidman	District Secretary/Treasurer and Business Manager	2011
Steven A. Weidner	Attorney	2011

Independent Auditor's Report

To the Board of Education of  
Janesville Consolidated School District:

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Janesville Consolidated School District, Janesville, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. My responsibility is to express opinions on these financial statements based on my audit.


I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Janesville Consolidated School District at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated January 17, 2012 on my consideration of Janesville Consolidated School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis, Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 12 and 38 through 40 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Janesville Consolidated School District's basic financial statements. I previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Keith Oltrogge  
Certified Public Accountant

January 17, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Janesville Consolidated School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### 2011 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$3,061,742 in fiscal 2010 to \$3,228,866 in fiscal 2011, while General Fund expenditures increased from \$3,258,193 in fiscal 2010 to \$3,556,272 in fiscal 2011. The District's General Fund balance decreased from \$741,181 in fiscal 2010 to \$439,785 in fiscal 2011, a 40.7% decrease.
- The increase in General Fund revenues was attributable to an increase in state sources in fiscal 2011. The increase in expenditures was due primarily to an increase in the negotiated salary and benefits.
- The District's solvency ratio has decreased from 19.1% at June 30, 2010 to 9.5% at June 30, 2011. The District's solvency level indicates the District is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Janesville Consolidated School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Janesville Consolidated School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Janesville Consolidated School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the non-major governmental funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

**Figure A-1**  
**Janesville Consolidated School District Annual Financial Report**

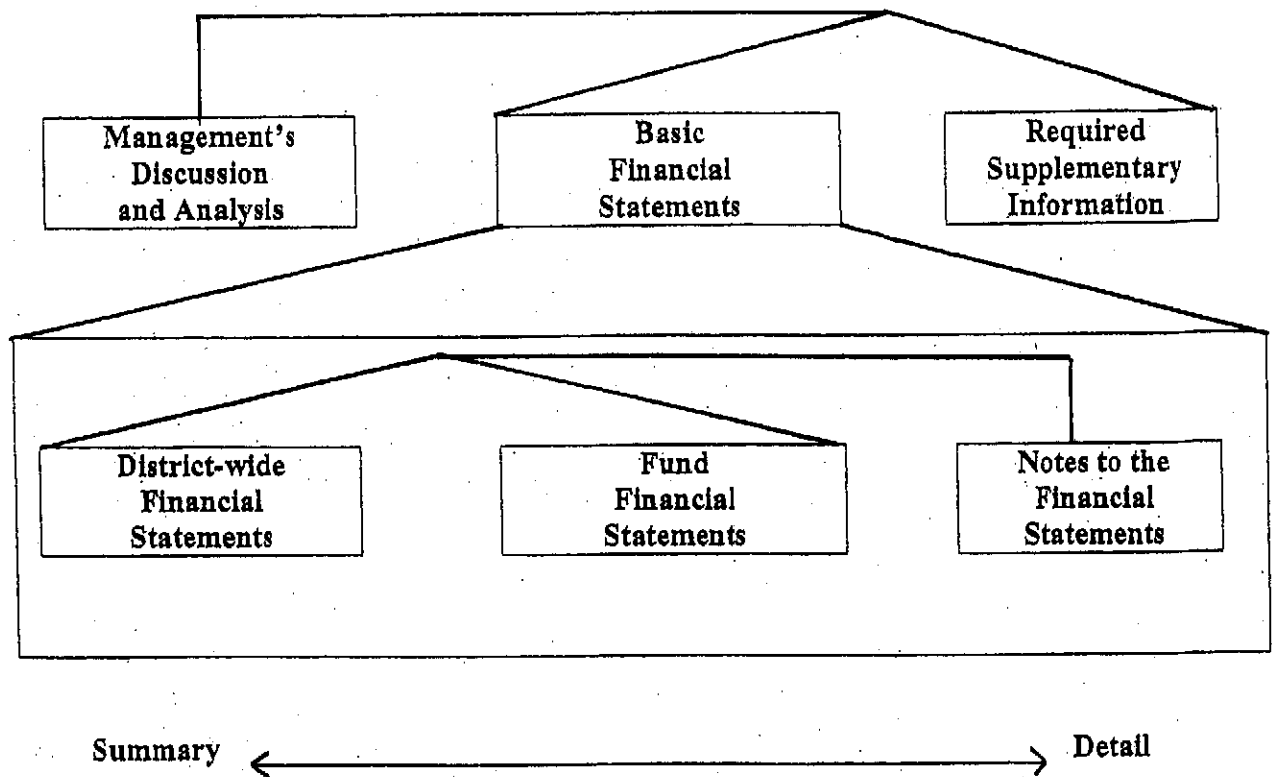


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2**  
**Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, both short- term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid



## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's School Nutrition program and Childhood Development program are included here.

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and Childhood Development Fund.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include the Private-Purpose Trust Fund.

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2011 compared to June 30, 2010.

**Figure A-3**  
**Condensed Statement of Net Assets**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-2011
Current and other assets	\$3,766,993	\$2,923,428	\$138,094	\$15,336	\$3,905,087	\$2,938,764	32.9%
Capital assets	2,482,661	1,969,173	13,421	106,827	2,496,082	2,076,000	20.2%
Total assets	\$6,249,654	\$4,892,601	\$151,515	\$122,163	\$6,401,169	\$5,014,764	27.6%
Long-term liabilities	\$1,852,057	\$1,213,241	\$22,366	\$-	\$1,874,423	\$1,213,241	54.5%
Other liabilities	2,492,942	1,628,253	-	33,493	2,492,942	1,661,746	50.0%
Total liabilities	\$4,344,999	\$2,841,494	\$22,366	\$33,493	\$4,367,365	\$2,874,987	51.9%
Net assets:							
Invested in capital assets, net of related debt	\$14,904	\$784,173	\$13,421	\$15,336	\$28,325	\$799,509	-96.5%
Restricted	1,625,494	311,381	-	-	1,625,494	311,381	422.0%
Unrestricted	272,634	955,553	107,351	73,334	379,985	1,028,887	-63.1%
Total net assets	\$1,913,032	\$2,051,107	\$120,772	\$88,670	\$2,033,804	\$2,139,777	-5.0%

The District's combined net assets decreased by nearly 5%, or approximately \$106,000, over the prior year. The largest portion of the District's net assets is in the restricted net assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased approximately \$1,314,000, or 422% over the prior year. The increase was primarily due to reclassification of unreserved net assets to reserved.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$649,000, or 63.1%. This reduction in unrestricted net assets was primarily a result in the increase in restricted net assets.

Figure A-4 shows the change in net assets for the year ended June 30, 2011 compared to the year ended June 30, 2010.

Figure A-4 Changes in Net Assets							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2011	2010	2011	2010	2011	2010	2010-2011
Revenues:							
Program revenues:							
Charges for service	\$324,639	\$294,218	\$180,846	\$179,491	\$505,485	\$473,709	6.7%
Operating grants, contribution and restricted interest	568,588	618,212	46,656	38,737	615,244	656,949	-6.4%
Capital grants, contributions and restricted interest	24,975	-	-	-	24,975	-	100%
General revenues:							
Property tax	1,290,250	1,279,717	-	-	1,290,250	1,279,717	0.8%
Statewide sales, service and use tax	256,389	270,549	-	-	256,389	270,549	-5.2%
Unrestricted state grants	1,360,486	1,096,191	-	-	1,360,486	1,096,191	24.1%
Unrestricted investment earnings	7,246	2,416	84	68	7,330	2,484	195.1%
Other	17,740	42,396	-	-	17,740	42,396	-58.2%
Total revenues	\$3,850,313	\$3,603,699	\$227,586	\$218,296	\$4,077,899	\$3,821,995	6.7%
Program expenses:							
Governmental activities:							
Instruction	\$2,923,864	\$2,581,060	\$69,532	\$826	\$2,993,396	\$2,581,886	15.9%
Support services	820,097	872,328	-	-	820,097	872,328	-6.0%
Non-instructional programs	1,209	326	125,952	197,929	127,161	198,255	-35.9%
Other expenses	269,228	205,829	-	-	269,228	205,829	30.8%
Total expenses	\$4,014,398	\$3,659,543	\$195,484	\$198,755	\$4,209,882	\$3,858,298	9.1%
Change in net assets	-\$164,085	-\$55,844	\$32,102	\$19,541	-\$131,983	-\$36,303	-263.6%

In fiscal year 2011, property tax and unrestricted state grants account for 68.8% of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for 99.9% of business type activities revenue.

The District's total revenues were approximately \$4.1 million, of which approximately \$3.9 million was for governmental activities and less than \$0.2 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 6.7% increase in revenues and a 9.1% increase in expenses. Property tax increased approximately \$10,500. The increase in expenses is related to an increase in instruction expenses.

## Governmental Activities

Revenues for governmental activities were \$3,850,313 and expenses were \$4,014,398. In a difficult budget year, the District was able to balance the budget by using some of its reserves.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

**Figure A-5**

	<b>Total and Net Cost of Governmental Activities</b>					
	<b>Total Cost of Services</b>			<b>Net Cost of Services</b>		
	2011	2010	Change 2010-2011	2011	2010	Change 2010-2011
Instruction	\$2,923,864	\$2,581,060	13.3%	\$2,076,076	\$1,710,721	21.4%
Support Services	820,097	872,328	6.0%	774,658	830,237	-6.7%
Non-instructional programs	1,209	326	270.8%	1,209	326	270.8%
Other expenses	269,228	205,829	30.8%	244,253	205,829	18.7%
Totals	\$4,014,398	\$3,659,543	9.7%	\$3,096,196	\$2,747,113	12.7%

- The cost financed by users of the District's programs was \$505,485.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$615,244.
- The net cost of governmental activities was financed with \$1,546,639 in property and other taxes and \$1,290,250 in unrestricted state grants.

## Business Type Activities

Revenues for business type activities were \$227,586 and expenses were \$195,484. The District's business type activities include the School Nutrition Fund and the Childhood Development Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

## INDIVIDUAL FUND ANALYSIS

As previously noted, Janesville Consolidated School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,944,658, well above last year's ending fund balances of \$1,298,768.

However, the primary reason for the increase is due to the \$1,375,000 revenue bond proceeds received in the fiscal year, which were in the restricted Capital Project fund balance at June 30, 2011.

## Governmental Fund Highlights

- The District's deteriorating General Fund financial position is the result of many factors. Decreases during the year in local taxes and Federal grants resulted in only a slight increase in revenue. The District's increase in General Fund expenditures required the District to use carryover fund balance to meet its financial obligations during the year.
- The District has been trying to maintain its General Fund by controlling classroom budgets, reducing travel and field trips, and reducing staff slightly where possible.
- The General Fund balance decreased from \$741,181 to 439,785, due in part to the decrease in revenue over the increase in expenditures.
- The Capital Projects Fund balance increased due to the revenue bond issuance of \$1,375,000. The District ended fiscal 2011 with a balance of \$1,289,397, an increase of \$909,499, due to the bond proceeds.

## Proprietary Fund Highlights

- School Nutrition Fund net assets decreased from \$40,705 at June 30, 2010 to \$40,526 at June 30, 2011, representing a decrease of approximately 0.4%.
- Childhood Development Fund net assets increased from \$47,965 at June 30, 2010 to \$80,246 at June 30, 2011 due to an increase in the use of services.

## BUDGETARY HIGHLIGHTS

The District's receipts were \$161,505 less than budgeted receipts, a variance of 3.8%. The most significant variance resulted from the District receiving less in state sources than originally anticipated.

The District's total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction, functional area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2011, the District had invested \$2.5 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 25.8% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$155,493.

The original cost of the District's capital assets was \$5.50 million. Governmental funds account for \$5.48 million, with the remainder of \$0.02 million accounted for in the Proprietary, School Nutrition Fund.

**Figure A-6**  
**Capital Assets, net of Depreciation**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-2011
Land	\$18,751	\$18,751	\$-	\$-	\$18,751	\$18,751	-
Construction in process	218,634	232,657	-	-	218,634	232,657	6.0%
Buildings	1,845,819	1,497,586	-	-	1,845,819	1,497,586	23.3%
Improvements other than buildings	104,018	76,391	-	-	104,018	76,391	36.2%
Furniture and equipment	295,439	143,788	13,421	15,336	308,860	159,124	94.1%
Totals	\$2,482,661	\$1,969,173	\$13,421	\$15,336	\$2,496,082	\$1,984,509	25.8%

## Long-Term Debt

At June 30, 2011, the District had \$2,445,000 in long-term debt outstanding. This represents a increase of approximately 106.3% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the District's debt since 1997. The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5 percent of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$9 million.

**Figure A-7**  
**Outstanding Long-term Obligations**

Total District		Total Change
June 30,		June 30,
2011	2010	2010-2011
\$2,445,000	\$1,185,000	106.3%

Revenue bonds

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The Instructional Support Levy was passed in September 2002 and money continues to come into the district.
- The District levied a cash reserve amount for fiscal year 2011.
- Reduction in federal and state funding continues to present challenges for the district's budget.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Steven Gray, Superintendent, Janesville Consolidated School, 505 Barrick Road, Janesville IA 50647.

## **Basic Financial Statements**

## Janesville Consolidated School District

## Statement of Net Assets

June 30, 2011

	Govern- mental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,256,491	\$ 137,946	\$ 2,394,437
Receivables:			
Property tax:			
Delinquent	12,334	-	12,334
Succeeding year	1,239,700	-	1,239,700
Accounts	39,662	148	39,810
Due from other governments	218,806	-	218,806
Capital assets, net of accumulated depreciation	2,482,661	13,421	2,496,082
<b>Total Assets</b>	<b>\$ 6,249,654</b>	<b>\$ 151,515</b>	<b>\$ 6,401,169</b>
<b>Liabilities</b>			
Accounts payable	\$ 200,102	\$ 9,174	\$ 209,276
Salaries and benefits payable	238,075	9,769	247,844
Accrued interest payable	21,345	-	21,345
Deferred revenue-succeeding year property tax	1,239,700	-	1,239,700
Deferred revenue-other	152,835	3,423	156,258
Long-term liabilities:			
Portion due within one year:			
Revenue bonds payable	120,000	-	120,000
Accrued vacations	8,262	-	8,262
Early retirement	11,250	-	11,250
Capital lease	22,757	-	22,757
Portion due after one year:			
Revenue bonds payable	2,325,000	-	2,325,000
Net OPEB liability	5,673	-	5,673
<b>Total Liabilities</b>	<b>\$ 4,344,999</b>	<b>\$ 22,366</b>	<b>\$ 4,367,365</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 14,904	\$ 13,421	\$ 28,325
Restricted for:			
Categorical funding	131,871	-	131,871
Management levy purposes	137,383	-	137,383
Physical plant and equipment	33,472	-	33,472
Student activities	29,027	-	29,027
Debt service	141,844	-	141,844
Capital projects	1,151,897	-	1,151,897
Unrestricted	272,634	107,351	379,985
<b>Total Net Assets</b>	<b>\$ 1,913,032</b>	<b>\$ 120,772</b>	<b>\$ 2,033,804</b>

See notes to financial statements.



**Janesville Consolidated School District**

**Statement of Activities**

**Year Ended June 30, 2011**

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants, Contributions and Restricted Interest</b>	<b>Capital Grants, Contributions and Restricted Interest</b>
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular instruction	\$ 2,141,448	\$ 144,731	\$ 526,082	\$ -
Special instruction	426,565	10,241	37,320	-
Other instruction	355,851	128,599	815	-
	<u>\$ 2,923,864</u>	<u>\$ 283,571</u>	<u>\$ 564,217</u>	<u>\$ -</u>
<b>Support Services:</b>				
Student services	\$ 26,401	\$ 2,515	\$ 1,742	\$ -
Instructional staff services	17,562	-	-	-
Administration services	365,626	-	-	-
Operation and maintenance of plant services	245,323	-	-	-
Transportation services	165,185	38,553	2,629	-
	<u>\$ 820,097</u>	<u>\$ 41,068</u>	<u>\$ 4,371</u>	<u>\$ -</u>
<b>Non-Instructional Program</b>				
Community service	\$ 1,209	\$ -	\$ -	\$ -
<b>Other Expenditures:</b>				
Facilities acquisition	\$ 39,973	\$ -	\$ -	\$ 24,975
Long-term debt interest	77,192	-	-	-
AEA flow-through	152,063	-	-	-
	<u>\$ 269,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,975</u>
<b>Total Governmental Activities</b>	<u>\$ 4,014,398</u>	<u>\$ 324,639</u>	<u>\$ 568,588</u>	<u>\$ 24,975</u>
<b>Business Type Activities:</b>				
<b>Instruction:</b>				
Childhood development	\$ 69,532	\$ 101,813	\$ -	\$ -
<b>Non-Instructional Programs:</b>				
Food service operations	125,952	79,033	46,656	-
<b>Total Business Type Activities</b>	<u>\$ 195,484</u>	<u>\$ 180,846</u>	<u>\$ 46,656</u>	<u>\$ -</u>
<b>Total</b>	<u>\$ 4,209,882</u>	<u>\$ 505,485</u>	<u>\$ 615,244</u>	<u>\$ 24,975</u>

See notes to financial statements.

Net (Expense) Revenue  
And Changes in Net Assets

Governmental Activities		Business Type Activities		Total
\$	-1,470,635	\$	-	\$ -1,470,635
	-379,004		-	-379,004
	-226,437		-	-226,437
\$	-2,076,076	\$	-	\$ -2,076,076
\$	-22,144	\$	-	\$ -22,144
	-17,562		-	-17,562
	-365,626		-	-365,626
	-245,323		-	-245,323
	-124,003		-	-124,003
\$	-774,658	\$	-	\$ -774,658
\$	-1,209	\$	-	\$ -1,209
\$	-14,998	\$	-	\$ -14,998
	-77,192		-	-77,192
	-152,063		-	-152,063
\$	-244,253	\$	-	\$ -244,253
\$	-3,096,196	\$	-	\$ -3,096,196
\$	-	\$	32,281	\$ 32,281
	-		-263	-263
\$	-	\$	32,018	\$ 32,018
\$	-3,096,196	\$	32,018	\$ -3,064,178

**Janesville Consolidated School District**

**Statement of Activities**

**Year Ended June 30, 2011**

	Program Revenues		
	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Expenses			
<b>General Revenues:</b>			
Property Tax Levied For:			
General purposes			
Capital outlay			
Statewide sales, service and use tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other general revenues			
Total General Revenues			
Change in net assets			
Net assets beginning of year			
Prior period adjustment			
Adjusted net assets beginning of year			
Net Assets End of Year			

See notes to financial statements.

Net (Expense) Revenue  
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ 1,194,530	\$ -	\$ 1,194,530
95,720	-	95,720
256,389	-	256,389
1,360,486	-	1,360,486
7,246	84	7,330
17,740	-	17,740
2,932,111	84	2,932,195
\$ -164,085	\$ 32,102	\$ -131,983
\$ 2,051,107	\$ 88,670	\$ 2,139,777
26,010	-	26,010
\$ 2,077,117	\$ 88,670	\$ 2,165,787
\$ 1,913,032	\$ 120,772	\$ 2,033,804

## Janesville Consolidated School District

Balance Sheet  
Governmental Funds

June 30, 2011

	General	Capital Projects	Non-major Funds	Total
<b>Assets</b>				
Cash and Pooled Investments	\$ 616,584	\$ 1,446,280	\$ 193,627	\$ 2,256,491
Receivables:				
Property Tax:				
Delinquent	10,084	1,042	1,208	12,334
Succeeding year	1,023,539	101,161	115,000	1,239,700
Accounts	39,662	-	-	39,662
Due from other funds	9,763	-	8	9,771
Due from other governments	169,007	49,799	-	218,806
<b>Total Assets</b>	<b>\$ 1,868,639</b>	<b>\$ 1,598,282</b>	<b>\$ 309,843</b>	<b>\$ 3,776,764</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 26,516	\$ 172,858	\$ 728	\$ 200,102
Salaries and benefits payable	225,964	-	12,111	238,075
Due to other funds	-	1,394	-	1,394
Deferred Revenue:				
Succeeding year property tax	1,023,539	101,161	115,000	1,239,700
Other	152,835	-	-	152,835
<b>Total Liabilities</b>	<b>\$ 1,428,854</b>	<b>\$ 275,413</b>	<b>\$ 127,839</b>	<b>\$ 1,832,106</b>
<b>Fund Balances:</b>				
Restricted for:				
Categorical funding	\$ 131,871	\$ -	\$ -	\$ 131,871
Debt services	-	137,500	4,344	141,844
Management levy purposes	-	-	148,633	148,633
Student activities	-	-	29,027	29,027
School infrastructure	-	1,151,897	-	1,151,897
Physical plant and equipment	-	33,472	-	33,472
Unassigned	307,914	-	-	307,914
<b>Total Fund Balance</b>	<b>\$ 439,785</b>	<b>\$ 1,322,869</b>	<b>\$ 182,004</b>	<b>\$ 1,944,658</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,868,639</b>	<b>\$ 1,598,282</b>	<b>\$ 309,843</b>	<b>\$ 3,776,764</b>

See notes to financial statements.

## Janesville Consolidated School District

Reconciliation of the Balance Sheet – Governmental Funds  
To the Statement of Net Assets

June 30, 2011

Total fund balances of governmental funds (page 16)	\$ 1,944,658
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	2,482,661
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds	-21,345
Long-term liabilities, including bonds payable, accrued vacations, early retirement and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>-2,492,942</u>
Net assets of governmental activities (page 13)	<u>\$ 1,913,032</u>

See notes to financial statements.

## Janesville Consolidated School District

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2011

	General	Capital Projects	Non-Major Funds	Total
Revenues:				
Local Sources:				
Local tax	\$ 1,084,423	\$ 352,109	\$ 110,107	\$ 1,546,639
Tuition	124,801	-	-	124,801
Other	90,800	914	130,735	222,449
Intermediate sources	-	-	-	-
State sources	1,765,686	108	124	1,765,918
Federal sources	163,156	24,975	-	188,131
Total Revenues	\$ 3,228,866	\$ 378,106	\$ 240,966	\$ 3,847,938
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 2,017,107	\$ -	\$ 12,111	\$ 2,029,218
Special instruction	426,565	-	-	426,565
Other instruction	211,234	-	141,799	353,033
	\$ 2,654,906	\$ -	\$ 153,910	\$ 2,808,816
Support Services:				
Student services	\$ 26,401	\$ -	\$ -	\$ 26,401
Instructional staff services	17,562	-	-	17,562
Administration services	361,033	-	374	361,407
Operation and maintenance of plant services	206,499	-	36,155	242,654
Transportation services	136,599	44,572	-	181,171
	\$ 748,094	\$ 44,572	\$ 36,529	\$ 829,195
Non-instructional:				
Community Service	\$ 1,209	\$ -	\$ -	\$ 1,209
Other Expenditures:				
Facilities acquisition	\$ -	\$ 662,467	\$ -	\$ 662,467
Long-Term Debt:				
Principal	-	-	136,815	136,815
Interest, fees and discounts	-	13,750	45,690	59,440
AEA flow-through	152,063	-	-	152,063
	\$ 152,063	\$ 676,217	\$ 182,505	\$ 1,010,785
Total Expenditures	\$ 3,556,272	\$ 720,789	\$ 372,944	\$ 4,650,005
Excess (deficiency) of revenues over (under) expenditures	\$ -327,406	\$ -342,683	\$ -131,978	\$ -802,067

## Janesville Consolidated School District

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2011

## Other Financing Sources (Uses):

Capital lease	\$	-	\$	44,572	\$	-	\$	44,572
Revenue bonds issued		-		1,377,375		-		1,377,375
Operating transfers in (out)		-		-182,505		182,505		-
Total other financing sources (uses)	\$	-	\$	1,239,442	\$	182,505	\$	1,421,947
Net change in fund balances	\$	-327,406	\$	896,759	\$	50,527	\$	619,880
Fund balances beginning of year, as restated	\$	741,181	\$	426,110	\$	131,477	\$	1,298,768
Prior period adjustment		26,010		-		-		26,010
Adjusted fund balances beginning of year, as restated	\$	767,191	\$	426,110	\$	131,477	\$	1,324,778
Fund Balances End of Year	\$	439,785	\$	1,322,869	\$	182,004	\$	1,944,658

See notes to financial statements.



## Janesville Consolidated School District

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances – Governmental Funds  
To the Statement of Activities**

**Year Ended June 30, 2011**

**Net change in fund balances – total governmental funds (page 19)** \$ 619,880

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 667,066	
Depreciation expense	<u>-153,578</u>	513,488

Proceeds from issuing long term liabilities provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceed repayments, are as follows:

Issued	\$ -1,419,572	
Repaid	<u>136,815</u>	-1,282,757

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

-17,752

Some expenses reported in the Statements of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:

Accrued vacations	\$ -5,377	
Early retirement	11,250	
Other postemployment benefits	<u>-2,817</u>	3,056

**Change in Net Assets of Governmental Activities (page 15)** \$ -164,085

## Janesville Consolidated School District

Statement of Net Assets  
Proprietary Funds

June 30, 2011

	Hot Lunch	Childhood Development	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 48,836	\$ 89,110	\$ 137,946
Accounts receivable	148	-	148
Capital assets, net of accumulated depreciation	13,421	-	13,421
<b>Total Assets</b>	<b>\$ 62,405</b>	<b>\$ 89,110</b>	<b>\$ 151,515</b>
<b>Liabilities</b>			
Accounts payable	\$ 9,174	\$ -	\$ 9,174
Due to other funds	8,377	-	8,377
Salaries and benefits payable	905	8,864	9,769
Deferred revenue	3,423	-	3,423
<b>Total Liabilities</b>	<b>\$ 21,879</b>	<b>\$ 8,864</b>	<b>\$ 30,743</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 13,421	\$ -	\$ 13,421
Unrestricted	27,105	80,246	107,351
<b>Total Net Assets</b>	<b>\$ 40,526</b>	<b>\$ 80,246</b>	<b>\$ 120,772</b>

See notes to financial statements.

## Janesville Consolidated School District

Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds

Year Ended June 30, 2011

	Hot Lunch	Childhood Development	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 79,033	\$ 101,813	\$ 180,846
Operating expenses:			
Instruction:			
Other instruction:			
Salaries	\$ -	\$ 52,228	\$ 52,228
Benefits	-	16,189	16,189
Supplies	-	1,115	1,115
	\$ -	\$ 69,532	\$ 69,532
Non-instructional programs:			
Operations:			
Salaries	\$ 8,098	\$ -	\$ 8,098
Benefits	1,184	-	1,184
Supplies	300	-	300
Purchased services	114,455	-	114,455
Depreciation	1,915	-	1,915
	\$ 125,952	\$ -	\$ 125,952
Total operating expenses	\$ 125,952	\$ 69,532	\$ 195,484
Operating income (loss)	\$ -46,919	\$ 32,281	\$ -14,638
Non-operating revenues:			
State sources	\$ 1,139	\$ -	\$ 1,139
Federal sources	45,517	-	45,517
Interest income	84	-	84
Total non-operating revenues	\$ 46,740	\$ -	\$ 46,740
Change in net assets	\$ -179	\$ 32,281	\$ 32,102
Net assets beginning of year	40,705	47,965	88,670
Net Assets End of Year	\$ 40,526	\$ 80,246	\$ 120,772

See notes to financial statements.

## Janesville Consolidated School District

Statement of Cash Flows  
Proprietary Funds

Year Ended June 30, 2011

	Hot Lunch	Childhood Development	Total
Cash flows from operating activities:			
Cash received from daycare and preschool fees	\$ -	\$ 101,813	\$ 101,813
Cash received from sale of lunches and breakfasts	80,572	-	80,572
Cash paid to employees for services	-9,753	-68,816	-78,569
Cash paid to suppliers for goods or services	-105,574	-1,115	-106,689
Net cash provided (used) by operating activities	\$ -34,755	\$ 31,882	\$ -2,873
Cash flows from non-capital financing activities:			
State grants received	\$ 1,139	\$ -	\$ 1,139
Federal grants received	33,187	-	33,187
Net cash provided by non-capital financing activities	\$ 34,326	\$ -	\$ 34,326
Cash flows from investing activities:			
Interest on investments	\$ 84	\$ -	\$ 84
Net increase (decrease) in cash and cash equivalents	\$ -345	\$ 31,882	\$ 31,537
Cash and cash equivalents beginning of year	49,181	57,228	106,409
Cash and Cash Equivalents End of Year	\$ 48,836	\$ 89,110	\$ 137,946
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ -46,919	\$ 32,281	\$ -14,638
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Commodities used	12,330	-	12,330
Depreciation	1,915	-	1,915
Decrease in accounts receivable	270	-	270
Increase/(Decrease) Increase in salaries and benefits payable	905	-399	506
Increase in deferred revenue	1,268	-	1,268
(Decrease) in due to other funds	-1,375	-	-1,375
(Decrease) in accounts payable	-3,149	-	-3,149
Net Cash Provided (Used) by Operating Activities	\$ -34,755	\$ 31,882	\$ -2,873

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2011, the District received \$12,330 of federal commodities.

## Janesville Consolidated School District

Statement of Fiduciary Net Assets  
Fiduciary Fund

June 30, 2011

	Private Purpose Trust <u>Scholarship</u>
<b>Assets</b>	
Cash and pooled investments	\$ 278,212
Interest receivable	<u>119</u>
<b>Total assets</b>	<u>\$ 278,331</u>
<b>Liabilities</b>	
	<u>\$ -</u>
<b>Net Assets</b>	
Reserved for scholarships	<u>\$ 278,331</u>

See notes to financial statements.

**Janesville Consolidated School District**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Fund**  
**Year Ended June 30, 2011**

	Private Purpose Trust <u>Scholarship</u>
Additions:	
Local sources:	
Interest income	\$ 7,673
Deductions:	
Support services:	
Scholarships awarded	\$ 4,600
Change in net assets	\$ 3,073
Net assets beginning of year	<u>275,258</u>
Net Assets End of Year	<u>\$ 278,331</u>

## Janesville Consolidated School District

### Notes to Financial Statements

June 30, 2011

#### (1) Summary of Significant Accounting Policies

Janesville Consolidated School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Janesville, Iowa and portions of the predominately agricultural territories in Bremer and Black Hawk Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U. S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

##### A. Reporting Entity

For financial reporting purposes, Janesville Consolidated School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Janesville Consolidated School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in two jointly governed organizations that provide services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Bremer and Black Hawk Counties Assessor's Conference Boards.

##### B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following major proprietary funds:

The District's proprietary funds are the Enterprise, School Nutrition Fund and Childhood Development Fund. These funds are used to account for the food service and daycare operations of the District.

The District also reports fiduciary funds, which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements, which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.



Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balance.

The proprietary funds of the District apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking, is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2010.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 – 50 years
Furniture and equipment	5 – 15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2011. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in other spendable classifications.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

During the year ended June 30, 2011, expenditures in the instruction, functional area exceeded the amount budgeted.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2011, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	Amortized Cost
Total	<u>\$372,367</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk – The investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service.

(3) **Due From and Due to Other funds**

The detail of inter-fund receivables and payables at June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Physical Plant and Equipment	\$ 465
General Fund	Capital Projects Fund	921
General Fund	Enterprise – Hot Lunch Fund	8,377
Management Fund	Physical Plant & Equipment	8
		<u>\$ 9,771</u>

The Physical Plant and Equipment Levy Fund is repaying the General Fund and management for over transfer of taxes. The Capital Projects Fund is repaying the General Fund for over transferred funds. The Enterprise – Hot Lunch is repaying the General Fund for Salaries and Benefits. The balances will be repaid by June 30, 2012.

(4) **Interfund Transfers**

Transfer to	Transfer from	Amount
Debt Service	Capital Projects Fund	\$ 158,765
Debt Service	Physical Plant and Equipment	23,740
		<u>\$ 182,505</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(5) **Capital Assets**

Capital assets activity for the year ended June 30, 2011 was as follows:

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 18,751	\$ -	\$ -	\$ 18,751
Construction in process	232,657	218,634	232,657	218,634
Total capital assets not being depreciated	<u>\$ 251,408</u>	<u>\$ 218,634</u>	<u>\$ 232,657</u>	<u>\$ 237,385</u>
Capital assets being depreciated:				
Buildings	\$ 2,588,139	\$ 424,850	\$ -	\$ 3,012,989
Improvements other than buildings	280,216	33,110	-	313,326
Furniture and equipment	1,689,035	223,129	-	1,912,164
Total capital assets being depreciated	<u>\$ 4,557,390</u>	<u>\$ 681,089</u>	<u>\$ -</u>	<u>\$ 5,238,479</u>
Less accumulated depreciation for:				
Buildings	\$ 1,090,553	\$ 76,617	\$ -	\$ 1,167,170
Improvements other than buildings	203,825	5,483	-	209,308
Furniture and equipment	1,545,247	71,478	-	1,616,725
Total accumulated depreciation	<u>\$ 2,839,625</u>	<u>\$ 153,578</u>	<u>\$ -</u>	<u>\$ 2,993,203</u>
Total capital assets being depreciated, net	<u>\$ 1,717,765</u>	<u>\$ 527,511</u>	<u>\$ -</u>	<u>\$ 2,245,276</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,969,173</u>	<u>\$ 746,145</u>	<u>\$ 232,657</u>	<u>\$ 2,482,661</u>
	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
<b>Business type activities:</b>				
Furniture and equipment	\$ 22,976	\$ -	\$ -	\$ 22,976
Less accumulated depreciation	7,640	1,915	-	9,555
Business Type Activities Capital Assets, Net	<u>\$ 15,336</u>	<u>\$ 1,915</u>	<u>\$ -</u>	<u>\$ 13,421</u>

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular

\$ 121,370

Other

2,818

Support services:

Operation and maintenance of plant

804

Transportation

28,586

Total Depreciation Expense – Governmental Activities

\$ 153,578

Business Type Activities:

Food service operations

\$ 1,915

(6) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2011 are summarized as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
Accrued vacations	\$ 2,885	\$ 5,377	\$ -	\$ 8,262	\$ 8,262
Revenue bonds	1,185,000	1,375,000	115,000	2,445,000	120,000
Early retirement	22,500	-	11,250	11,250	11,250
Capital Lease - Bus	-	44,572	21,815	22,757	22,757
Net OPEB liability	2,856	2,817	-	5,673	-
	<u>\$ 1,213,241</u>	<u>\$ 1,427,766</u>	<u>\$ 148,065</u>	<u>\$ 2,492,942</u>	<u>\$ 162,269</u>

Early Retirement

The District offered a voluntary early retirement plan to its certified employees. Eligible employees must be at least fifty-five and must have completed ten years of service to the District. The eligible employee will receive a cash payment of \$1,250 per year of consecutive certified employment to the District. The payout will be divided into three equal payments to be made annually for three years with the first on July 20, 2011.

Revenue Bonds

Details of the District's June 30, 2011 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of May 1, 2009			
	Interest Rates	Principal	Interest	Total
2012	2.8%	\$120,000	\$40,354	\$160,354
2013	3.1%	120,000	36,995	156,995
2014	3.4%	125,000	33,275	158,275
2015	3.7%	130,000	29,025	159,025
2016	3.9%	135,000	24,215	159,215
2017	4.1%	140,000	18,950	158,950
2018	4.3%	145,000	13,210	158,210
2019	4.5%	155,000	6,975	161,975
		<u>\$1,070,000</u>	<u>\$202,999</u>	<u>\$1,272,999</u>

The District pledged future statewide sales, services and use tax revenues to repay the \$1,295,000 of bonds issued in May 2009. The bonds were issued for the purpose of refinancing the 2006 Local Option Sales and Services Tax Bonds. The bonds are payable solely from the proceeds of the statewide sales, service and use tax revenues received by the District and are payable through 2019. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 50 percent of the statewide sales, service and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$1,272,999. For the current year \$115,000 principal and \$43,115 interest was paid on the bonds and total statewide sales, service and use tax revenues were \$256,380.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) \$129,500 of Statewide sales, services and use tax revenues currently on hand shall be deposited to a Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the local option sales and services tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District did not comply with this revenue bond provisions during the year ended June 30, 2011. The required reserve account was not established by the District and no transfers were made to the sinking account.

Year Ending June 30,	Bond Issue of March 15, 2011			
	Interest Rates	Principal	Interest	Total
2012	3.70%	\$-	\$73,966	\$73,966
2013	3.70%	-	61,072	61,072
2014	3.70%	-	61,073	61,073
2015	3.70%	-	61,072	61,072
2016	3.70%	-	61,073	61,073
2017	3.70%	-	61,072	61,072
2018	3.70%	-	61,073	61,073
2019	3.70%	-	61,072	61,072
2020	3.70%	130,000	61,073	191,073
2021	3.90%	135,000	56,262	191,262
2022	4.20%	140,000	50,998	190,998
2023	4.35%	145,000	45,117	190,117
2024	4.50%	155,000	38,810	193,810
2025	4.60%	160,000	31,835	191,835
2026	4.70%	170,000	24,475	194,475
2027	4.80%	175,000	16,485	191,485
2028	4.90%	165,000	8,085	173,085
		<u>\$1,375,000</u>	<u>\$834,613</u>	<u>\$2,209,613</u>

The District pledged future statewide sales, service and use tax revenues to repay the \$1,375,000 of bonds issued in March 2011. The bonds were issued for the purpose of refinancing a portion of the costs of the school remodeling. The bonds are payable solely from the proceeds of the statewide sales, service and use tax revenues received by the District and are payable through 2028. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 75% of the statewide sales, service and use tax revenues. The total principal and interest remaining to be paid on the notes is \$2,209,613. For the current year, no principal or interest was paid on the bonds.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) \$137,500 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District did comply with this revenue bond provisions during the year ended June 30, 2011.

During the year ended June 30, 2011, the District made principal, interest and fee payments totaling \$182,505 under the agreements.

**(7) Pension and Retirement Benefits**

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered payroll for the years ended June 30, 2011. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$113,818, \$100,875, and \$93,058, respectively, equal to the required contributions for each year.

**(8) Other Postemployment Benefits (OPEB)**

Plan description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 24 active members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the District's net OPEB obligations:

Annual required contribution	\$	10,069
Interest on net OPEB obligation		71
Adjustment to annual required contribution		-646
Annual OPEB cost	\$	9,494
Contributions made		6,677
Increase in net OPEB obligation	\$	2,817
Net OPEB obligation beginning of year		2,856
Net OPEB obligation end of year	\$	5,673

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

For the year ended June 30, 2011, the District contributed \$165,121 to the medical plan. Plan members eligible for benefits contributed \$23,451, or 12.4% of the premium costs.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$9,513	70.0%	\$2,856
June 30, 2011	\$9,494	70.3%	\$2,817

**Funded Status and Funding Progress** – As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$99,623, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$99,623. The covered payroll (annual payroll of active employees covered by the plan) was \$1,301,265 and the ratio of the UAAL to covered payroll was 7.7%. As of June 30, 2011, there were no trust fund assets.

**Actuarial Methods and Assumptions** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2010 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%. The ultimate medical trend rate is 6%.



Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are \$199.13 per month for retirees less than age 65. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

**(9) Risk Management**

Janesville Consolidated School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(10) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$152,063 for the year ended June 30, 2011 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(11) Construction Commitment**

The District has entered into a contract totaling \$777,000 for a remodeling project. As of June 30, 2011, \$168,009 is in construction in process with the balance of \$608,991 to be paid on completion of the project.

**(12) Categorical Funding**

The District's reserved fund balance for categorical funding at June 30, 2011 is comprised of the following programs:

Program	Amount
Gifted and Talented Programs	\$ 34,422
Dropout Prevention	56,021
Beginning Teacher Mentoring	771
Teacher Salary Supplement	16,305
Market Factor 07	2,118
Nonpublic Transportation	2,093
Core Curriculum	10,489
Professional Development	8,491
Market Factor 08	1,161
Total	<u>\$ 131,871</u>

**(13) Subsequent Events**

The District has evaluated subsequent events through January 17, 2012 which is the date that the financial statements were available to be issued.

**(14) Prior Period Adjustment**

The District made a \$26,010 prior period adjustment to the General Fund.

**(15) Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
Balances June 30, 2010, as previously reported	\$ 379,898	\$ 46,212
Change in fund type classification per implementation of GASB Statement No. 54	46,212	-46,212
Balances July 1, 2010, as restated	\$ 426,110	\$ -

**(16) Contingent Liability**

The District has a pending employee law suit with an October 31, 2012 court date. Since the amount of the contingency arising from the claim cannot be reasonably estimated, no provision has been made.

### **Required Supplementary Information**

**Janesville Consolidated School District**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –  
Budget and Actual – All Governmental Funds and Proprietary Fund**

**Required Supplementary Information**

**Year Ended June 30, 2011**

	Governmental Funds Actual	Proprietary Fund Actual
Receipts:		
Local sources	\$ 1,893,889	\$ 180,930
Intermediate sources	-	-
State sources	1,765,918	1,139
Federal sources	188,131	45,517
Total Receipts	<u>\$ 3,847,938</u>	<u>\$ 227,586</u>
Disbursements:		
Instruction	\$ 2,808,816	\$ 69,532
Support services	829,195	-
Non-instructional programs	1,209	125,952
Other expenditures	1,010,785	-
Total Disbursements	<u>\$ 4,650,005</u>	<u>\$ 195,484</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	\$ -802,067	\$ 32,102
Other financing sources, net	<u>1,421,947</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	<u>\$ 619,880</u>	<u>\$ 32,102</u>
Balances beginning of year	\$ 1,298,768	\$ 88,670
Prior period adjustment	26,010	-
Adjusted balances beginning of year	<u>\$ 1,324,778</u>	<u>\$ 88,670</u>
Balances End of Year	<u>\$ 1,944,658</u>	<u>\$ 120,772</u>

See accompanying independent auditor's report.

Total Actual	Budgeted Amounts		Final To Actual Variance
	Original	Final	
\$ 2,074,819	\$ 2,174,180	\$ 2,174,180	-99,361
-	-	-	-
1,767,057	1,889,849	1,889,849	-122,792
233,648	173,000	173,000	60,648
\$ 4,075,524	\$ 4,237,029	\$ 4,237,029	-161,505
\$ 2,878,348	\$ 2,485,000	\$ 2,858,000	-20,348
829,195	1,268,000	1,389,000	559,805
127,161	265,000	360,000	232,839
1,010,785	676,949	1,400,000	389,215
\$ 4,845,489	\$ 4,694,949	\$ 6,007,000	1,161,511
\$ -769,965	\$ -457,920	\$ -1,769,971	1,000,006
1,421,947	400	400	1,421,547
\$ 651,982	\$ -457,520	\$ -1,769,571	\$ 2,421,553
\$ 1,387,438	\$ 1,933,568	\$ 1,933,568	-546,130
26,010	-	-	26,010
\$ 1,413,448	\$ 1,933,568	\$ 1,933,568	-520,120
\$ 2,065,430	\$ 1,476,048	\$ 163,997	1,901,433

**Janesville Consolidated School District**

**Notes to Required Supplementary Information – Budgetary Reporting**

**Year Ended June 30, 2011**

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted two budget amendments, increasing expenditures by \$1,312,051

During the year ended June 30, 2011, expenditures in the instruction function exceeded the amount budgeted.

**Janesville Consolidated School District**

**Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)**

**Required Supplementary Information**

**June 30, 2011**

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$101	\$101	-	\$989	10.3%
2011	July 1, 2009	-	\$100	\$100	-	\$1,301	7.7%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

## **Other Supplementary Information**



## Janesville Consolidated School District

Combining Balance Sheet  
Non-Major Funds

June 30, 2011

## Special Revenue

	Debt Service	Management Levy	Student Activity	Total
<b>Assets</b>				
Cash and pooled investments	\$ 4,344	\$ 159,528	\$ 29,755	\$ 193,627
Receivables:				
Interfund receivable	-	8	-	8
Accounts	-	-	-	-
Property Tax:				
Delinquent	-	1,208	-	1,208
Succeeding year	-	115,000	-	115,000
<b>Total Assets</b>	<b>\$ 4,344</b>	<b>\$ 275,744</b>	<b>\$ 29,755</b>	<b>\$ 309,843</b>
<b>Liabilities &amp; Fund Equity</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 728	\$ 728
Salaries and benefits payable	-	12,111	-	12,111
Deferred Revenue:				
Succeeding year property tax	-	115,000	-	115,000
Total Liabilities	\$ -	\$ 127,111	\$ 728	\$ 127,839
Fund Balance:				
Restricted for:				
Debt service	\$ 4,344	\$ -	\$ -	\$ 4,344
Management levy purposes	-	148,633	-	148,633
Student activities	-	-	29,027	29,027
Total Fund Balance	\$ 4,344	\$ 148,633	\$ 29,027	\$ 182,004
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 4,344</b>	<b>\$ 275,744</b>	<b>\$ 29,755</b>	<b>\$ 309,843</b>

See accompanying independent auditor's report.

## Janesville Consolidated School District

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Non-Major Funds**

**Year Ended June 30, 2011**

Special Revenue

	Debt Service	Management Levy	Student Activity	Total
<b>Revenues:</b>				
Local Sources:				
Local tax	\$ -	\$ 110,107	\$ -	\$ 110,107
Other	-	6,081	124,654	130,735
State sources	-	124	-	124
Total Revenues	\$ -	\$ 116,312	\$ 124,654	\$ 240,966
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular instruction	\$ -	\$ 12,111	\$ -	\$ 12,111
Other instruction	-	-	141,799	141,799
Support Services:				
Administration services	-	374	-	374
Operation and maintenance of plant services	-	36,155	-	36,155
Other Expenditures:				
Long-term Debt:				
Principal	136,815	-	-	136,815
Interest	45,690	-	-	45,690
Total Expenditures	\$ 182,505	\$ 48,640	\$ 141,799	\$ 372,944
Excess (deficiency) of revenues over (under) expenditures	\$ -182,505	\$ 67,672	\$ -17,145	\$ -131,978
Other Financing Sources (Uses):				
Operating transfers in	\$ 182,505	\$ -	\$ -	\$ 182,505
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing (uses)	\$ -	\$ 67,672	\$ -17,145	\$ 50,527
Fund balances beginning of year, as restated	4,344	80,961	46,172	131,477
Fund Balances End of Year	\$ 4,344	\$ 148,633	\$ 29,027	\$ 182,004

See accompanying independent auditor's report.

## Janesville Consolidated School District

Combining Balance Sheet  
Capital Project Accounts

June 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 1,412,143	\$ 34,137	\$ 1,446,280
Receivables:			
Property Tax:			
Delinquent	-	1,042	1,042
Succeeding year	-	101,161	101,161
Due from other governments	49,799	-	49,799
<b>Total Assets</b>	<b>\$ 1,461,942</b>	<b>\$ 136,340</b>	<b>\$ 1,598,282</b>
<b>Liabilities &amp; Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 171,624	\$ 1,234	\$ 172,858
Due to other funds	921	473	1,394
Deferred revenue:			
Succeeding year property tax	-	101,161	101,161
Total Liabilities	\$ 172,545	\$ 102,868	\$ 275,413
Fund Balances:			
Restricted for:			
Debt service	\$ 137,500	\$ -	\$ 137,500
School infrastructure	1,151,897	-	1,151,897
Physical plant and equipment	-	33,472	33,472
Total fund balances	\$ 1,289,397	\$ 33,472	\$ 1,322,869
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,461,942</b>	<b>\$ 136,340</b>	<b>\$ 1,598,282</b>

See accompanying independent auditor's report.

**Janesville Consolidated School District**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Capital Project Accounts**

**Year Ended June 30, 2011**

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local Sources:			
Local tax	\$ 256,389	\$ 95,720	\$ 352,109
Other	850	64	914
State sources	-	108	108
Federal sources	-	24,975	24,975
Total Revenues	<u>\$ 257,239</u>	<u>\$ 120,867</u>	<u>\$ 378,106</u>
Expenditures:			
Support Services:			
Administration services	\$ -	\$ 44,572	\$ 44,572
Other Expenditures:			
Facilities acquisition	552,600	109,867	662,467
Debt discount	13,750	-	13,750
Total Expenditures	<u>\$ 566,350</u>	<u>\$ 154,439</u>	<u>\$ 720,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -309,111</u>	<u>\$ -33,572</u>	<u>\$ -342,683</u>
Other Financing Sources (Uses):			
Capital lease proceeds	\$ -	\$ 44,572	\$ 44,572
Revenue bonds issued	1,377,375	-	1,377,375
Operating transfers in (out)	-158,765	-23,740	-182,505
Total other financing sources (uses)	<u>\$ 1,218,610</u>	<u>\$ 20,832</u>	<u>\$ 1,239,442</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 909,499</u>	<u>\$ -12,740</u>	<u>\$ 896,759</u>
Fund balances beginning of year, as restated	<u>379,898</u>	<u>46,212</u>	<u>426,110</u>
Fund Balances End of Year	<u>\$ 1,289,397</u>	<u>\$ 33,472</u>	<u>\$ 1,322,869</u>

See accompanying independent auditor's report.

## Janesville Consolidated School District

## Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2011

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra-Fund Transfer	Balance End of Year
Book Fair	\$ 1,879	\$ 3,112	\$ 4,954	\$ -	\$ 37
7-12 Secondary Account	2,162	2,647	4,084	-535	190
12 <sup>th</sup> Grade	101	15	196	150	70
11 <sup>th</sup> Grade	1,396	2,183	2,765	-150	664
10 <sup>th</sup> Grade	75	810	34	-	851
9 <sup>th</sup> Grade	-	-	36	36	-
Choir/Band Trip	1,093	2,347	1,541	-	1,899
High School Student Council	818	2,358	2,641	-	535
Athletics	113	63,817	64,723	969	176
Musical	173	3,695	3,489	786	1,165
Pop Machine	1,376	3,263	4,012	-825	-198
Concession Stand	7,273	-	7,273	-	-
Interest	553	61	-	-	614
Softball Complex	1,839	-	1,055	-1	783
Publications	11,270	10,169	4,905	-	16,534
Band Resale	464	57	-	-	521
Honor Society	5,055	1,015	5,787	-	283
Junior High Student Council	211	-	200	-	11
Art Fund	1,229	1,143	716	-1	1,655
MS Band	85	1,687	1,574	-	198
Swing Choir	197	573	770	-	-
Elementary Activities	7,753	13,504	18,281	-100	2,876
Miscellaneous	-178	12,079	12,651	356	-394
Spanish Club	-	-	-	-	-
Technology Fund	550	-	-	-	550
Speech Club	-	119	112	-	7
Drama	685	-	-	-685	-
Total	\$ 46,172	\$ 124,654	\$ 141,799	\$ -	\$ 29,027

See accompanying independent auditor's report.

**Janesville Consolidated School District**

**Schedule of Revenues by Source and Expenditures by Function  
All Governmental Funds**

**For the Last Eight Years**

	Modified Accrual Basis			
	2011	2010	2009	2008
Revenues:				
Local Sources:				
Local tax	\$ 1,546,639	\$ 1,550,266	\$ 1,486,626	\$ 1,428,595
Tuition	124,801	124,850	136,737	166,772
Other	222,449	214,180	245,609	234,050
State sources	1,765,918	1,438,228	1,730,143	1,699,638
Federal sources	188,131	276,175	141,138	102,976
Total	\$ 3,847,938	\$ 3,603,699	\$ 3,740,253	\$ 3,632,031
Expenditures:				
Instruction:				
Regular instruction	\$ 2,029,218	\$ 1,758,815	\$ 1,649,683	\$ 1,559,627
Special instruction	426,565	406,536	345,086	377,495
Other instruction	353,033	311,231	246,288	175,580
Support services:				
Student services	26,401	66,400	75,510	54,011
Instructional staff services	17,562	32,791	28,540	26,036
Administrative services	361,407	381,524	401,722	365,434
Operation and maintenance of plant services	242,654	231,165	214,769	246,267
Transportation services	181,171	131,435	141,034	138,877
Community service	1,209	326	-	100
Other expenditures:				
Facilities acquisition	662,467	441,274	179,246	1,329,753
Long-term debt:				
Principal	136,815	110,000	1,600,000	20,612
Interest and other charges	59,440	49,491	68,400	69,410
AEA flow-through	152,063	143,134	126,729	119,377
Total	\$ 4,650,005	\$ 4,064,122	\$ 5,077,007	\$ 4,482,579

See accompanying independent auditor's report.

Modified Accrual Basis			
2007	2006	2005	2004
\$ 1,365,558	\$ 1,293,783	\$ 1,216,625	\$ 1,185,948
132,999	117,732	107,834	125,235
294,063	249,477	292,773	248,434
1,610,246	1,580,463	1,488,740	1,307,140
96,770	55,451	66,830	87,318
\$ 3,499,636	\$ 3,296,906	\$ 3,172,802	\$ 2,954,075

\$ 1,573,567	\$ 1,452,592	\$ 1,492,098	\$ 1,546,863
335,331	285,007	281,963	241,735
174,201	206,118	222,993	151,924
50,086	49,502	39,484	39,717
29,506	38,679	44,197	43,323
337,623	337,187	306,140	276,388
228,308	243,661	204,484	206,824
142,231	126,865	97,008	97,803
-	-	-	73,872
769,037	124,770	129,043	110,066
19,649	42,207	19,699	18,850
47,306	926	1,812	2,661
112,250	107,248	100,227	98,044
\$ 3,819,095	\$ 3,014,762	\$ 2,939,148	\$ 2,878,070

**Independent Auditor's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**



Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

To the Board of Education of  
Janesville Consolidated School District:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Janesville Consolidated School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued my report thereon dated January 17, 2012. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Janesville Consolidated School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of Janesville Consolidated School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Janesville Consolidated School District's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses and other deficiencies I consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings as item I-A-11 to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-B-11 to be a significant deficiency.

### Compliance and Other Matters


As part of obtaining reasonable assurance about whether Janesville Consolidated School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Janesville Consolidated School District's responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the District's responses, I did not audit Janesville Consolidated School District's responses and, accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Janesville Consolidated School District and other parties to whom Janesville Consolidated School District may report. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Janesville Consolidated School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

  
Keith Oltrogge  
Certified Public Accountant

January 17, 2012

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part I – Findings Related to the General Purpose Financial Statements**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**MATERIAL WEAKNESSES:**

**I-A-11 Segregation of Duties**

Finding - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. I noted that the same individual is responsible for preparation of checks and deposits, recording the transaction in the journals, and reconciling the bank statement.

Recommendation – With the limited number of personnel involved in accounting for Organization activity, an ideal system of segregation of accounting duties and functions cannot be achieved to assure adequate internal control over the safeguarding of assets and the reliability of financial records and reporting. This is not unusual in an organization of your size. Under these circumstances, the most effective controls lie in (1) the administration's and the Board's knowledge of the Organization's financial operations and (2) striving to obtain as much segregation of duties as possible so that no one person has complete control of any type of financial transactions.

Response – Every effort will be made to further evaluate and restructure accounting tasks limited by the number of employees available to perform said functions. Janesville Consolidated School has added a Finance Committee as a sub-committee of the school board that has improved internal control.

Conclusion – Response accepted.

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part I – Findings Related to the General Purpose Financial Statements (continued):**

**SIGNIFICANT DEFICIENCIES:**

- I-B-11 Annual Financial Statements – The ability to apply generally accepted accounting principles to the financial statements and determine the sufficiency of the footnote disclosure is a necessary aspect of internal control over the District's financial reporting process. The District does not possess an individual with the appropriate expertise to apply generally accepted accounting principles to the financial statements and to draft and determine the sufficiency of the necessary disclosures. The District has a limited number of employees and it is not cost beneficial to employ an individual with this type of expertise and knowledge. The internal financial statements prepared by the District are not prepared in accordance with generally accepted accounting principles and do not contain the required footnote disclosures.

Recommendation – This is common control deficiency of most small Districts and is often not corrected due to cost benefit considerations. I could assist you in gaining the necessary knowledge and skills if you determine that this is a control deficiency that the District would like to address.

Response – We will consult with you as needed on financial statement considerations.

Conclusions – Response accepted.

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part II - Other Findings Related to Required Statutory Reporting:**

- II-A-11 Certified Budget – Expenditures for the year ended June 30, 2011 exceed the certified budget amounts in the instruction function.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion – Response accepted.

- II-B-11 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

- II-C-11 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

- II-D-11 Business Transactions – Business transactions between the District and District officials or employees are as detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Todd Weidman, Spouse – Employee	Services	\$800
Sandi Carroll – Board Member	Catering	\$597
Mitch Carroll, Son – Board Member	Services	\$250

In accordance with an Attorney General's opinion dated November 9, 1976, the above transactions do not appear to represent conflicts of interest.

- II-E-11 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.

- II-F-11 Board Minutes – The minutes record was examined and appeared to give a condensed account of business transactions by the Board. No transactions were found that I believe should have been approved in the Board minutes but were not.

- II-G-11 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.

- II-H-11 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

- II-I-11 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

- II-J-11 Certified Annual Report – The Certified Annual Report was filed with the Iowa Department of Education timely.

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

- II-K-11 Student Activity Fund – The Student Activity Fund includes an account which should have been reclassified by a residual equity transfer in prior years in order for the fund to conform to U.S. generally accepted accounting principles in accordance with Chapter 257.31(4) of the Code of Iowa. This account is the Miscellaneous Account.

Recommendation – The District should make a corrective transfer to account for this in the General Fund or another activity fund account.

Response – We will review this account and reallocate where necessary to other proper activities.

Conclusion – Response accepted.

- II-L-11 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

- II-M-11 Revenue Bonds – The District has not made the transfer into the reserve account required by the 2009 revenue bond resolution. In addition, the required monthly transfers from the revenue account to the sinking account were not made by the District.

Recommendation – The District should transfer \$129,500 into the reserve account and make the monthly transfers to the sinking account as required by the bond resolution.

Response – We will transfer this into the reserve account and begin making transfers to a sinking account.

Conclusion – Response accepted.

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

- II-N-11 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, service and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	379,898
Revenues/transfers in:			
Sales tax revenues	\$	227,384	
Other local revenues		850	
School infrastructure supplemental amount		29,005	
Other state revenues		-	
Federal revenues		-	
Sale of long-term debt		1,377,375	
Transfers from other funds		-	
Other		-	1,634,614
		\$	2,014,512
Expenditures/transfers out:			
School infrastructure construction	\$	552,600	
Land purchased		-	
Buildings purchased		-	
Equipment		-	
Other		13,750	
Transfers to other funds:			
Debt service fund		158,765	725,115
Ending balance		\$	1,289,397

For the year ended June 30, 2011, the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	\$ 2.3163	\$ 256,389
Physical plant and equipment levy	-	-
Public educational and recreational levy	-	-

**Janesville Consolidated School District**

**Schedule of Findings**

**Year Ended June 30, 2011**

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

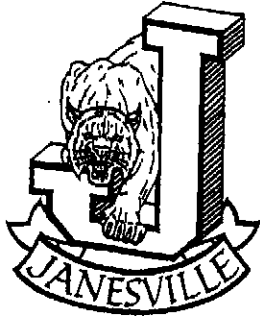
II-O-10 Deficit Balances – Two student activity accounts had a deficit balance at June 30, 2011.

Recommendation – The District should continue to investigate alternatives to eliminate these deficits in order to return the accounts to a sound financial condition.

Response – The District is continuing to investigate alternatives to eliminate the deficits in the student activity accounts at the end of the fiscal year.

Conclusion – Response accepted.





# JANESVILLE CONSOLIDATED SCHOOL DISTRICT

P.O. Box 478  
319-987-2581

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Janesville, Iowa 50647-0478  
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Bremer County Independent & Democrat  
311 West Bremer  
Waverly IA 50677

## NEWS RELEASE

FOR RELEASE: January 17, 2012

Contact: Steven Gray

Keith Oltrogge CPA today released an audit report on the Janesville Consolidated School District of Janesville IA for the fiscal year ended June 30, 2011.

The District's revenues totaled \$4,077,899 for the year ended June 30, 2011, a 6.7 percent decrease from the prior year. Revenues included \$1,546,639 in local tax, charges for service of \$505,485, operating grants, contributions and restricted interest of \$615,244, capital grants, contributions and restricted interest of \$24,975, unrestricted interest of \$7,330, and other general revenues of \$1,375,226.

Expenses for District operations totaled \$4,209,882, a 9.1 percent increase from the prior year. Expenses included \$2,993,396 for instruction, \$820,097 for support services, and \$269,228 for other expenditures.

A copy of the audit report is available for review in the Office of Auditor of State and the District secretary's office.